

1 H.802

2 Introduced by Representatives Scheuermann of Stowe, Batchelor of Derby,  
3 Cupoli of Rutland City, Eastman of Orwell, Gamache of  
4 Swanton, Grad of Moretown, Greshin of Warren, Juskiewicz of  
5 Cambridge, Komline of Dorset, LaClair of Barre Town,  
6 Marcotte of Coventry, Olsen of Londonderry, Russell of  
7 Rutland City, Sibilia of Dover, Tate of Mendon, Viens of  
8 Newport City, and Young of Glover

9 Referred to Committee on

10 Date:

11 Subject: Alcoholic beverages; licensing; destination resort master license

12 Statement of purpose of bill as introduced: This bill proposes to create a  
13 destination resort master license that will permit a licensee to obtain a single  
14 master license for all locations within a destination resort that sell alcoholic  
15 beverages for on-premises consumption.

16 An act relating to the sale of alcoholic beverages

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. 7 V.S.A. § 2 is amended to read:

3 § 2. DEFINITIONS

4 The following words as used in this title, unless a contrary meaning is  
5 required by the context, shall have the following meaning:

6 \* \* \*

7 (6) “Caterer’s license”: a license issued by the Liquor Control Board  
8 authorizing the holder of a first-class license or first- and third-class licenses  
9 for a cabaret, restaurant, or hotel premises, or the holder of a first-class or a  
10 first- and third-class destination resort satellite permit, to serve malt or vinous  
11 beverages, spirits, or fortified wines at a function located on premises other  
12 than those occupied by the holder of a destination resort satellite permit or a  
13 first-, first- and third-, or second-class licensee to sell alcoholic beverages.

14 \* \* \*

15 (34) “Request to cater permit”: a permit granted by the Liquor Control  
16 Board authorizing a ~~first- or first- and third-class~~ licensed caterer or  
17 commercial caterer to cater individual events.

18 \* \* \*

19 (36) “Outside consumption permit”: a permit granted by the Liquor  
20 Control Board allowing the holder of a destination resort satellite permit or a

1 first-class ~~or~~, first- and third-class ~~license holder and, or~~ fourth-class license  
2 holder to allow for consumption of alcohol in a delineated outside area.

3 \* \* \*

4 (40) “Destination resort”: an establishment that owns or operates a  
5 hotel, holds itself out to the public as offering food and beverage service for a  
6 consideration, and has related sports and recreational facilities for the  
7 convenience or enjoyment of its guests.

8 (41) “Destination resort master license”: a license granted by the Liquor  
9 Control Board permitting a destination resort to sell alcoholic beverages to the  
10 public for consumption at related facilities within the destination resort as  
11 provided pursuant to section 472 of this title.

12 (A) For the purposes of a destination resort, a “related facility” is an  
13 area or facility identified in a destination resort master license application for  
14 which a destination resort satellite permit is sought and that is located within  
15 the boundaries of the destination resort set forth on the plat or plan submitted  
16 pursuant to subsection 242(a) of this title, including:

17 (i) indoor areas or facilities that are used by patrons of the  
18 destination resort;

19 (ii) related outdoor sports and recreation facilities used by patrons  
20 of the destination resort for a fee; and

1                   (iii) distinct areas or facilities that are directly related to the  
2                   destination resort use.

3                   (B) A related facility may be owned or operated by the holder of the  
4                   destination resort master license or by a separate person, and may be operated  
5                   under a separate trade name from the destination resort.

6                   (42) “First-class destination resort satellite permit”: a permit granted by  
7                   the Liquor Control Board as part of a destination resort master license that  
8                   permits a related facility to sell malt beverages and vinous beverages to the  
9                   public for consumption at the permitted location as provided pursuant to  
10                  section 472 of this title.

11                  (43) “Second-class destination resort satellite permit”: a permit granted  
12                  by the Liquor Control Board as part of a destination resort master license that  
13                  permits a related facility to export malt beverages or vinous beverages and to  
14                  sell malt beverages or vinous beverages to the public for consumption off the  
15                  premises for which the license is granted. The Liquor Control Board may  
16                  grant a second-class destination resort satellite permittee a fortified wine  
17                  permit that permits the permittee to export and to sell fortified wines to the  
18                  public for consumption off the licensed premises.

19                  (44) “Third-class destination resort satellite permit”: a permit granted  
20                  by the Liquor Control Board as part of a destination resort master license that  
21                  permits a related facility to sell fortified wines and spirits to the public for

1 consumption at the permitted location as provided pursuant to section 242 of  
2 this title.

3 Sec. 2. 7 V.S.A. § 242 is added to read:

4 § 242. DESTINATION RESORT MASTER LICENSES

5 (a) The Liquor Control Board may grant a destination resort master license  
6 to a person that operates a destination resort if all of the following  
7 requirements are met:

8 (1) The applicant files an application with the Liquor Control Board  
9 accompanied by the license fee provided in section 231 of this title. In  
10 addition to any information required pursuant to rules adopted by the Board,  
11 the application shall:

12 (A) designate the principal licensed premises;

13 (B) identify all related facilities for which a destination resort satellite  
14 permit is sought; and

15 (C) identify the person that owns or operates each related facility for  
16 which a destination resort satellite permit is sought.

17 (2) The applicant demonstrates that the destination resort:

18 (A) contains at least 100 acres of land; and

19 (B) offers at least 50 units of sleeping accommodations.

20 (3) The applicant submits a plat or plan that sets forth:

21 (A) the destination resort boundaries;

1           (B) the ownership of the destination resort lands;

2           (C) the location and general design of buildings and other  
3 improvements, both existing and planned, within the resort boundaries;

4           (D) the location of sports and recreational facilities within the resort  
5 boundaries; and

6           (E) the location of the principal licensed premises and each related  
7 facility within the destination resort boundaries for which a first-class,  
8 second-class, or a first- and third-class destination resort satellite permit is  
9 being sought as part of the destination resort master license.

10           (b)(1) The Liquor Control Board may grant a first-class destination resort  
11 satellite permit for a related facility identified in a destination resort master  
12 license application to the person that operates the related facility if:

13           (A) the related facility is located within the boundaries of the  
14 destination resort as set forth on the plat or plan submitted pursuant to  
15 subdivision (a)(3) of this section; and

16           (B) the related facility's premises are leased, rented, or owned by the  
17 person that operates the related facility and are devoted primarily to dispensing  
18 meals to the public.

19           (2) Rules applicable to a first-class license pertaining to financial  
20 responsibility, education of employees, age of employees, hours of sale, age of  
21 purchasers, the selling and furnishing to apparently intoxicated persons, and

1 the manner and amount of beverages served shall all apply in like manner to a  
2 first-class destination resort satellite permit.

3 (c)(1) The Liquor Control Board may grant a second-class destination  
4 resort satellite permit for a related facility identified in a destination resort  
5 master license application to the person that operates the related facility if:

6 (A) the related facility is located within the boundaries of the  
7 destination resort as set forth on the plat or plan submitted pursuant to  
8 subdivision (a)(3) of this section; and

9 (B) the related facility's premises are leased, rented, or owned by the  
10 person that operates the related facility and are a safe, sanitary, and proper  
11 place from which to sell malt and vinous beverages.

12 (2) Rules applicable to a second-class license and pertaining to financial  
13 responsibility, education of employees, age of employees, hours of sale, age of  
14 purchasers, the selling and furnishing to apparently intoxicated persons, and  
15 leases of businesses shall all apply in like manner to a second-class destination  
16 resort satellite permit.

17 (d)(1) The Liquor Control Board may grant a third-class destination resort  
18 satellite permit for a related facility identified in a destination resort master  
19 license application to the person that operates the related facility if:

1           (A) the related facility is located within the boundaries of the  
2           destination resort as set forth on the plat or plan submitted pursuant to  
3           subdivision (a)(3) of this section; and

4           (B) the related facility's premises are leased or owned by the person  
5           that operates the related facility and that the related facility is operated for the  
6           purpose covered by the permit.

7           (2) Rules applicable to a third-class license pertaining to financial  
8           responsibility, education of employees, age of employees, hours of sale, age of  
9           purchasers, the selling and furnishing to apparently intoxicated persons, and  
10          the manner and amount of beverages served shall all apply in like manner to a  
11          third-class destination resort satellite permit.

12          (e)(1) Within 14 days after the Board has received an initial application for  
13          a destination resort master license and the plat or plan required pursuant to  
14          subdivision (a)(3) of this section, the Board shall schedule a hearing on the  
15          initial application for a destination resort master license.

16          (2)(A) Beginning at least 30 days prior to the hearing, the Board shall  
17          publish once a week for four consecutive weeks notice of the hearing and a  
18          description of the proposed destination resort in a newspaper of general  
19          circulation in the county or counties in which the proposed destination resort is  
20          located.

1           (B) At least 30 days prior to the hearing, the Board shall provide  
2           notice of the hearing and a description of the proposed destination resort to the  
3           control commissioners of the municipality in which the destination resort is  
4           proposed to be located.

5           (3) The Board may charge an applicant a fee sufficient to cover the costs  
6           of providing the notice required by subdivision (2) of this subsection.

7           (f) Customers and guests who purchase alcoholic beverages at a related  
8           facility within a destination resort shall be permitted to carry the beverages to  
9           other related facilities within the licensed boundaries of the destination resort.

10          (g)(1) Except for violations that are intentionally authorized by the holder  
11          of the destination resort master license, each related facility shall be considered  
12          separately licensed for the purpose of enforcing this title and the rules adopted  
13          by the Liquor Control Board.

14          (2) A licensee may apply to the Liquor Control Board for a satellite  
15          permit for a related facility at the time of its initial license application, license  
16          renewal, or at any other time.

17          (h) The holder of a first-class or a first- and third-class destination resort  
18          satellite permit that also holds a caterer's license shall be permitted to cater any  
19          event occurring within the boundaries of the destination resort as set forth on  
20          the plat or plan submitted pursuant to subdivision (a)(3) of this section without  
21          being required to obtain a request to cater permit for the event.

1 Sec. 3. 7 V.S.A. § 231 is amended to read:

2 § 231. FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

3 (a) The following fees shall be paid:

4 \* \* \*

5 (25)(A) For a destination resort master license, \$500.00.

6 (B) For a first-class destination resort permit, \$230.00.

7 (C) For a third-class destination resort permit, \$1,000.00 for an  
8 annual permit and \$500.00 for a six-month permit.

9 \* \* \*

10 (b) Except for fees collected for first-, second-, and third-class licenses, the  
11 fees collected pursuant to subsection (a) of this section shall be deposited in the  
12 Liquor Control Enterprise Fund. The other fees shall be distributed as follows:

13 (1) Third-class license fees and third-class destination resort satellite  
14 permit fees: 55 percent shall go to the Liquor Control Enterprise Fund, and  
15 45 percent shall go to the General Fund and shall fund alcohol abuse  
16 prevention and treatment programs.

17 (2) First- and second-class license fees and first-class destination resort  
18 satellite permit fees: At least 50 percent of first-class and second-class license  
19 fees and first-class destination resort satellite permit fees shall go to the  
20 respective municipalities in which the licensed or permitted premises are  
21 located, and the remaining percentage of those fees shall go to the Liquor

1 Control Enterprise Fund. A municipality may retain more than 50 percent of  
2 the fees that the municipality collected for first- and second-class licenses to  
3 the extent that the municipality has assumed responsibility for enforcement of  
4 those licenses pursuant to a contract with the Department. The Department  
5 shall adopt rules regarding contracts entered into pursuant to this subdivision.

6 Sec. 4. 7 V.S.A. § 222 is amended to read:

7 § 222. FIRST- AND SECOND-CLASS LICENSES; GRANTING OF; SALE  
8 TO MINORS; CONTRACTING FOR FOOD SERVICE

9 With the approval of the Liquor Control Board, the control commissioners  
10 may grant the following licenses to a retail dealer for the premises where the  
11 dealer carries on business:

12 \* \* \*

13 (6) The Liquor Control Board may grant a fortified wine permit to a  
14 second-class licensee or a second-class destination resort satellite permittee if  
15 the licensee or permittee files an application accompanied by the license fee as  
16 provided in section 231 of this title. The holder of a fortified wine permit may  
17 sell fortified wines to the public from the licensed premises for consumption  
18 off the premises. The Liquor Control Board shall issue no more than 150  
19 fortified wine permits in any single year. The holder of a fortified wine permit  
20 shall purchase all fortified wines to be offered for sale to the public pursuant to  
21 the permit through the Liquor Control Board at a price equal to no more than

1 75 percent of the current retail price for the fortified wine established by the  
2 Commissioner pursuant to subdivision 107(3)(B) of this title.

3 Sec. 5. 7 V.S.A. § 238 is amended to read:

4 § 238. CATERER'S LICENSE, GRANTING OF; SALE TO MINORS

5 (a) The Liquor Control Board may issue a caterer's license only to those  
6 persons who hold a current first- or first- and third-class destination resort  
7 satellite permit, or a current first-class license or ~~current~~ first- and third-class  
8 ~~licenses~~ license for a restaurant or hotel premises.

9 \* \* \*

10 Sec. 6. 7 V.S.A. § 238a is amended to read:

11 § 238a. OUTSIDE CONSUMPTION PERMITS; FIRST-, THIRD-, AND  
12 FOURTH-CLASS LICENSEES

13 Pursuant to regulations of the Liquor Control Board, an outside  
14 consumption permit may be granted to the holder of a first- or first- and  
15 third-class destination resort satellite permit, or a first- or first- and third-class  
16 licenses for all or part of the outside premises of a golf course or to the holder  
17 of a fourth-class license for all or part of the outside premises of the license  
18 holder, provided that such permit is first obtained from the local control  
19 commissioners and approved by the Board.

20 Sec. 7. EFFECTIVE DATE

21 This act shall take effect on July 1, 2016.